GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5031
ANSWERED ON:20.12.2002
FOREIGN LOANS FOR TEXTILES INDUSTRY
DILIP KUMAR MANSUKHLAL GANDHI;SUDHA YADAV

Will the Minister of TEXTILES be pleased to state:

(a) Whether the Government are contemplating to simplify the rules relating to borrowing of commercial loan from foreign countries by the textile units;

(b) if so, the details thereof; and

(c) the year-wise, benefits likely to accrue to the textile units in Maharashtra and Gujarat as a result of simplification of rules?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) to (b) At present External Commercial Borrowing (ECB) in foreign exchange upto US $ 50 million or its equivalent by an Indian entity for general corporate purposes with average maturity of not less than 3 years is permissible under automatic route with the stipulation that such funds should not be used for investment in stock market or in real estate business. As such the textile units can resort to ECB upto US$ 50 million.

(c) State-wise analysis of the impact of such borrowings is not maintained centrally.